



**CERTIFIED ACCOUNTING TECHNICIAN (CAT)**

**STAGE 1 EXAMINATIONS**

**S1.3: EFFECTIVE WORKING IN ACCOUNTANCY  
AND FINANCE**

**DATE: DECEMBER 2021**

**MARKING GUIDE AND MODEL ANSWERS**

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**Marking guide**

1. D
2. D
3. B
4. D
5. B
6. D
7. D
8. D
9. B
10. D
11. A
12. D
13. C
14. B
15. A
16. B
17. C
18. D
19. C
20. A
21. D
22. D
23. D
24. A
25. C

26. D
27. D
28. B
29. A
30. D
31. A
32. D
33. D
34. D
35. A
36. D
37. D
38. B
39. C
40. D
41. B
42. D
43. C
44. C
45. A
46. D
47. D
48. D
49. D
50. D

**2 marks for each correct answer**

**Total marks: 100**

## **Model answers**

**1 The correct answer is D.**

Kalisa being an employee of Umwembe Ltd would be interested on the overall stability of the company he is working in and hence is interested in profitability, liquidity, solvency and litigation over the company.

**2 The correct Answer is D.**

A stakeholder is a person who deals with an organisation, it can be external or internal.

A CAT candidate is a customer to ICPAR and hence being an external stakeholder to the Institute. Being a student to ICPAR you are not an internal stakeholder, studentship is not type of stakeholder. Business partner is not a specific type of stakeholder and hence option D is correct.

**3 The correct answer is B.**

ABC partners being a service company, it cannot have a production department. A production department is needed in a manufacturing company. The rest of the departments can be found in a service company.

**4 The correct answer is D.**

It is not a legal requirement to put in place finance and accounts department by all companies. Finance and accounts department provides information to make decisions which will eventually promote efficiency and compliance.

**5 The correct answer is B.**

Because financial accounts provide information mainly to external stakeholders instead of internal stakeholders and hence the correct option is B. Both financial and management accounting provide information for decision making, for running business and assist in controlling business activities and hence these options are stated correctly.

**6 The correct answer is D.**

The financial information should be complete, accurate and timely to help board of directors and senior management to make informed decisions and hence all of the above articulate the importance of complete, accurate and timely accounting information in a company.

**7 The correct answer is D.**

Removing unnecessary costs leads to utilization of least resources and hence efficient company's operations. Planning timely with consideration of risk does not necessarily contribute to efficiency and hence option (i) and (ii) are not correct.

**8 The correct answer is D.**

All the stated options would increase the company's liquidity.

**9 The correct answer is B.**

Firing the existing accountant at the first instance is not the appropriate option. The rest options are adequate to boost up the company's compliance.

**10 The correct answer is D.**

All the stated options would facilitate to decision making around solvency.

**11 The correct answer is A.**

Sexual harassment is an example of legal noncompliance not a consequence. Fines, penalties, imprisonment, and loss of reputation are examples of legal noncompliance.

**12 The correct answer is D.**

All of the stated options describe an organisation chart

**13 The correct answer is C.**

Calling Managing director is not correct in this situation. The line manager/HRM will inform the MD and the rest of options are correctly stated.

**14 The correct answer is B.**

The candidates should know that seeking assistance from their buddy first is advised. It is prohibited to discuss company's information with another person working in another company. They may seek assistance to their line manager after they consulted their peer.

**15 The correct answer is A.**

Reporting to HRM is the most appropriate action. Writing harsh complaint/petition letter is not advised. It is misconduct act.

**16 The correct answer is B.**

Open and respectful discussion is the best in this scenario. Informing line supervisor would show lack of responsibility and professional maturity. Writing a petition letter is not adequate solution

in this case and keeping quiet would not solve any problem. It is advised to communicate openly the issue and agree on way forward.

**17 The correct answer is C.**

Policies are wide while procedures focus on the detailed sequences for specific course of action. Point A&B is not correct because it combines with a wrong point mentions that procedures are put in place by middle management.

Point D is not correct because it combines with a wrong point mentions that policies are enforced by laws.

**18 The correct answer is D.**

Clean desk policy helps to ensure efficiency, compliance, confidentiality and company's reputation.

**19 The correct answer is C.**

A strong password should at least contain 8 characters. Should contain symbols, capital and small letters, and numeric numbers and hence it is not recommended to have a password of 6 characters.

**20 The correct answer is A.**

As per the law, a retention policy is 10 years.

**21 The correct answer is D.**

Taxation skills is hard skills not soft skills. Point A, B&C are examples of soft skills.

**22 The correct answer is D.**

The adjusted salary is FRW264,000, and hence the option C is transposed. Point A is for increased salary by 12% while point B is for increase of 12%

**23 The correct answer is D.**

Option A is not correct since the Body email is already provided. Option B is not correct since there are other missing parts other than subject. Option C is not correct since there are other missing parts other than subject, body and greetings.

What is missing is subject, greetings, and signature and hence option D is correct.

**24 The correct answer A.**

The monthly depreciation is  $\text{FRW}600,000/12 = \text{FRW}50,000$  and hence depreciation for 6 months is  $\text{FRW}50,000 * 6 = \text{FRW}300,000$ .

Point B is not correct since it shows depreciation for 5 months.

Point C is not correct since it shows depreciation for 9 months.

Point D is not correct since it shows monthly depreciation if a candidate considers  $\text{FRW}600,000$  for 9 months.

**25 The correct answer is C.**

Only bar chart and line graph can present visibly this kind of comparison.

Point A-Pie chart is suitable to present composition figures

Point B- There are other kinds of presentation another Bar chart to present product wise budget monitoring.

Point D-Email is not suitable to present product wise budget monitoring data.

**26 The correct answer is D.**

None of the suggested option is suitable to report list of overdue clients.

Option A-Word paragraph is not appropriate to report list of overdue clients' details

Option B-Pictograph is not appropriate to report list of overdue clients' details

Option C-Bar chart is not appropriate to report list of overdue clients' details

**27 The correct answer is D.**

Since a bad debtor is too long outstanding debts there is a need for face-to-face communication.

Option A- Phone call is not appropriate since a bad debtor may decline the call

Option B- letter is not appropriate since a bad debtor may respond to it

Option C- Email is not appropriate since a bad debtor may respond to it

**28 The correct answer B.**

Every idea should have its own paragraph to make it understandable and hence point B is not correctly stated.

Option A is correctly stated since KISS is advised in professional communications.

Option C is correctly stated since message should be clear.

Option D is correctly stated since subject matter should be clear

**29 The correct Answer is A.**

This form of act is harassment/bullying.

Option B is not correct since the comment by their supervisor is not discriminatory or comparing them to other people

Option C is not correct since the comment by their supervisor is not unfair treatment.

Option D is not correct since the comment by their supervisor is more of bullying compared to the rest of proposed unethical acts.

**30 The correct answer is D.**

To manage time and tasks appropriately requires to perform one task at par and avoid spill up tasks in-tray.

Point A, B&C- Are correctly stated as tips for time management.

**31 The correct answer is A.**

Preparing bank reconciliation for a rotated staff is nonroutine task.

Option B is not correct since the tax declaration and payment is done on quarterly basis

Option C is not correct since the reconciliation is done on a monthly basis.

Option D is not correct since the cash report is done on a daily basis.

**32 The correct answer is D.**

Asset tagging is urgent but not important. It can be done next day to give ample time to deal with urgent tasks.

Option A, B & C are urgent but also important, the Accounts officer needs to arrange them sequentially.

**33 The correct answer is D.**

All the stated options are time planning tools. Calendar, diary, to do list and bar charts are time planning tools.

**34 The correct answer is D.**

It is not better to seek assistance from for every task and to accept any task delegated to you. Sometimes it is better to say no. The question asks what is NOT effective tip to meet up deadline.

Option A is not correctly stated since it includes points (i) and (ii) which are correct

Option B is not correctly stated since it includes points (ii) which are correct

Option C is not correctly stated since it includes points (i) and (ii) which are correct

**35 The correct answer is A.**

Not completing given tasks can lead to loss of self-esteem and confidence, if extreme or repeated can lead to dismissal and individual stress.

Option B, C & D are not correct because noncompletion of tasks cannot lead to transfer to other departments because a poor performer can not be transferred to other departments.

**36 The correct answer is D.**

All of the suggested options are consequences of not completing tasks in a team.

**37 The correct answer is D.**

All of the suggested options are consequences of not completing tasks to the company.

**38 The correct answer is B.**

Team work brings about motivation, good performance and communication.

Point A, C & D are not correct because team work does not reduce team member's independence.

**39 The correct answer is C.**

Team work bring about conflicts, team work is evaluated based on collective contribution and achievement, and disciplinary committee is not the first solution for team's conflicts.

Point A, B & D are not correct answers because synergy (iii) is collective contribution of team players which is a correctly stated.

**40 The correct answer is D.**

The appropriate course of action is to record the transaction as recommended by your supervisor to be effective. Most importantly, respectfully consult further from him on his proposal without disagreement.

**41 The correct answer is B.**

when a superior makes unethical act, the incident should be reported to a higher superior and hence reporting the incident to Managing Director is correct.

Point A is not correct because keeping quiet won't solve any problem.

Point C is not correct because reporting to externals before internal hierarchies is not a good idea.

Point D is not correct because reporting unethical act unanimously is only done at higher level of management like Managing Director.



**42 The correct answer is D.**

Lack of code of conduct to its employees may lead to non-compliances, reputational damages and work flow damages.

**43 The correct answer is C.**

Point A&D are not correct because attending CPD does not increase job satisfaction.

Point B is not correct because CPD does not only enhance professional network but also competence as stated in (iii).

**44 The correct answer is C.**

Sponsoring staff in professional courses may reduce employee turnover.

Option A is not correct answer because training plan increases employee satisfaction

Option B is not correct answer because training plan may lead to customer satisfaction

Option D is not correct answer because training plan may lead to customer and employee satisfaction

**45 The correct answer is A.**

Attending public speaking skills does not Improve professional writing skills.

Option B&D is not correct answer because subscribing to international journal improves writing skills

Option C is not correct answer because attending ICPAR soft skills training improves writing skills

**46 The correct answer is D. all the stated options are costs to the company during training.**

**47 The correct answer is D. all the stated options are reasons for CPD compliance.**

**48 The correct answer is D. all the stated options are required skills for an accountant**

**49 The correct answer is D. all the stated options are required skills for today's accountant**

**50 The correct answer is D. all the stated options are needed to improve his budgeting skills including managing busy environment.**

## **END OF MARKING GUIDE AND MODEL ANSWERS**